

CALIFORNIA COASTAL COMMISSION

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WED 17C

November 16, 2001

TO: COMMISSIONERS AND INTERESTED PERSONS

FROM: DEBORAH N. LEE, SOUTH COAST DEPUTY DIRECTOR
SHERILYN SARB, DISTRICT MANAGER, SAN DIEGO DISTRICT

SUBJECT: **Staff Recommendation on San Diego Unified Port District Port Master Plan Amendment No. 32 (South Bay Boat Yard).** For Commission consideration and possible action at the Meeting of December 11-14, 2001.

SUMMARY OF STAFF RECOMMENDATION:

Staff is recommending that the Commission approve the proposed port master plan amendment (PMPA) to convert the land use designation of the leasehold housing the South Bay Boat Yard on the Chula Vista Bayfront from "Marine-Related Industry" to "Commercial Recreation", "Habitat Replacement", and "Promenade". A 1.8 acre portion of the water use area would also be changed from "Specialized Berthing" to "Wetlands". The PMPA is for the land and water use redesignations only; no specific development plans are proposed or anticipated at this time.

The water area on the northern boundary of the site proposed as "Wetlands" is adjacent to environmentally sensitive habitat, i.e. mudflats, which extend north from the site to the Sweetwater River Channel. The mudflats are located seaward of the National Wildlife Refuge but not within the boundaries of the refuge. As part of the environmental review for the proposed land and water use change, the Port has agreed to enter into a cooperative agreement to protect and/or enhance, where appropriate, this sensitive biological wetland habitat. The proposed "Habitat Replacement" designation is to accommodate the biological buffer required between any potential future redevelopment of the boatyard site and the adjacent habitat area. The Port has added language to the Port Master Plan to clarify that the extent of any future buffer will be based on future resource conditions and reevaluated at that time.

The proposed "Commercial Recreation" designation would be compatible with existing and future potential uses within the Chula Vista Bayfront. The proposal includes the "Promenade" designation and future view corridors to apply to future redevelopment and assure adequate public visual and coastal access opportunities are provided. Finally, the Port has concluded that due to parcel size, inadequate water depths to accommodate

contemporary vessel sizes, changes in boat and ship building and repair markets, and the proximity to the National Wildlife Refuge, the South Bay Boat Yard does not constitute a feasible long-term marine-related industrial site.

However, prepared studies indicate the existing boat yard market is at or near capacity; therefore, there may be a demand for additional boat yards to serve the South Bay in the future. The current lease for the South Bay Boat Yard does not expire until 2020 and the PMPA indicates this use may continue until the lease expires. The Port has added language to the port master plan submittal to indicate that prior to redevelopment of the site, additional boat repair capacity will be identified. The Port is currently investigating the feasibility of providing an alternate boat yard location at three potential sites, two of which are in the South Bay. Submitted studies indicate the market will support additional boat yards when the demand is evident. The Port has concluded there are sites available to meet potential future demand in the South Bay; therefore, with the proposed language it is assured an alternative site will be identified to meet the demand at the time the subject site redevelops to a use other than the existing boat yard. Additionally, the redevelopment project for the subject site will require a port master plan amendment and additional environmental review which will assure the demand and supply of the existing boat yard market will be thoroughly assessed at that time. The site is not required to meet any other marine related industrial needs of the Port District and the proposed land and water use redesignations can be found to meet the requirements of Section 30708 and 30240 of the Coastal Act.

The appropriate motion and resolution can be found on Page 3. The main findings for approval of the amendment as submitted begin on Page 5.

Port Master Plan Amendment Procedure. California Code of Regulations, Title 14, Section 13636 calls for port master plan amendments to be certified in the same manner as provided in Section 30714 of the Coastal Act for certification of port master plans. Section 13628 of the Regulations states that, upon the determination of the Executive Director that the master plan amendment and accompanying materials required by Section 13628(a) are sufficient, the master plan amendment shall be deemed submitted to the Commission for purposes of Section 30714 of the Coastal Act. The subject amendment was deemed submitted on September 28, 2001. Within 90 days after this submittal date, the Commission, after public hearing, shall certify or reject the amendment, in whole or in part.

STAFF RECOMMENDATION:

I. PORT MASTER PLAN SUBMITTAL - RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to the resolution.

RESOLUTION (Resolution to approve certification of Port of San Diego Master Plan Amendment No. 32)

MOTION: *I move that the Commission certify the Port of San Diego Master Plan Amendment No. 32 (South Bay Boat Yard).*

Staff Recommendation

Staff recommends a **YES** vote and the adoption of the following resolution and findings. An affirmative vote by a majority of the Commissioners present is needed to pass the motion.

Certification of Amendment

The Commission hereby certifies San Diego Unified Port District Master Plan Amendment No. 32, and finds, for the reasons discussed below, that the amended Port Master Plan conforms with and carries out the policies of Chapter 3 and Chapter 8 of the Coastal Act. The Commission further finds that the plan amendment will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act (CEQA) because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amendment on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the port master plan amendment.

II. FINDINGS AND DECLARATIONS.

The Commission finds and declares as follows:

A. Previous Commission Action. The Commission certified the San Diego Unified Port District Master Plan on October 14, 1980. The Commission has reviewed thirty one amendments since that date.

B. Contents of Port Master Plan Amendments. California Code of Regulations Title 14, Section 13656 calls for port master plan amendments to be certified in the same manner as port master plans. Section 30711 of the Coastal Act states, in part, that a port master plan shall include all the following:

- (1) The proposed uses of land and water areas, where known.

- (2) The proposed design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body.
- (3) An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative and qualitative biological inventories, and proposals to minimize and mitigate any substantial adverse impact.
- (4) Proposed projects listed as appealable in Section 30715 in sufficient detail to be able to determine their consistency with the policies of Chapter 3 (commencing with Section 30200) of this division.
- (5) Provisions for adequate public hearings and public participation in port planning and development decisions.

The Commission finds that the proposed port master plan amendment conforms to the provisions of Section 30711 of the Coastal Act. The proposed changes in land and water uses are outlined in sufficient detail in the port master plan submittal for the Commission to make a determination of the proposed amendment's consistency with the Chapter 3 and Chapter 8 policies of the Coastal Act.

The proposed amendment was the subject of a Negative Declaration under the California Environmental Quality Act. The Negative Declaration associated with the plan amendment was subject to public review and hearing and was adopted by the Board of Port Commissioners on August 21, 2001 as Resolution 2001-189. A public hearing on the proposed master plan amendment was held and the amendment was adopted by the Board of Port Commissioners on August 21, 2001 as Resolution 2001-190.

Standard of Review. Section 30710 states that Chapter 8 shall govern those portions of the San Diego Unified Port District, excluding any wetland, estuary, or existing recreation area indicated in Part IV of the Coastal Plan. The entire water area under the jurisdiction of the Port of San Diego is covered by Chapter 3 policies because San Diego Bay is mapped as an estuary and wetland in Part IV of the Coastal Plan, and on the maps adopted by the Commission pursuant to Section 30710 of the Act. The proposed Map Amendment is for an existing leasehold located north of G Street and containing the South Bay Boat Yard which contains 15.9 acres of land area. The policies of Chapter 8 of the Coastal Act are the standard of review for the land portion of the proposed amendment. The proposal also addresses 1.8 acre of water area and Chapter 3 policies are the standard of review for the portion of the amendment addressing the water area.

D. Summary of Proposed Plan Amendment.

The proposed port master plan amendment (PMPA) involves changes to the text, land and water use tables and maps, within the port master plan to allow for redesignation of a 17.7 acre site north of G Street in Chula Vista within the Port District's Planning District 7 – Chula Vista Bayfront. The site contains the existing South Bay Boat Yard and is comprised of 15.9 acre of land area designated "Marine-Related Industrial" and 1.8 acres of water area designated "Specialized Berthing". An additional 8.5 acres of water area designated "Specialized Berthing" exists within the leasehold and is not proposed for redesignation at this time.

The proposed changes to the land and water use tables reflect a change in the marine-related industrial land use designation on 10.9 acres to "Commercial Recreation", on 4.5 acres to "Habitat Replacement", and on .5 acres to "Promenade". The change to the water use tables reflect conversion of 1.8 acres of the water area along the northern edge of the site from "Specialized Berthing" to "Wetlands". No change to the project list is proposed. There are no site specific development plans proposed at this time and any future projects on this site would be subject to additional environmental review.

Section 13634 of the Code of Regulations allows for minor, immaterial changes to a port master plan (amendment) after submission of the plan. On November 14, 2001, the Port submitted revised text language to address concerns expressed by staff regarding the future determination of the habitat buffer and identification of a replacement boatyard prior to redevelopment of the existing boatyard (ref. Exhibit 4). These changes provide more specificity and increase protection of coastal resources, and are not considered a material amendment to the PMPA submittal.

E. Conformance with the Coastal Act. The proposed amendment would result in changes to land use categories, and to the text and Precise Plan map contained in Planning District 7 (Chula Vista Bayfront) of the Port Master Plan. In order for the Commission to certify the proposed master plan amendment, the Commission must determine that the amendment conforms to the following applicable Chapter 3 and Chapter 8 policies of the Coastal Act:

1. Applicable Policies

Section 30708

All port-related developments shall be located, designed, and constructed so as to:

- (a) Minimize substantial adverse environmental impacts.
- (b) Minimize potential traffic conflicts between vessels.

(c) Give highest priority to the use of existing land space within harbors for port purposes, including, but not limited to, navigational facilities, shipping industries, and necessary support and access facilities.

(d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible.

(e) Encourage rail service to port areas and multicompany use of facilities.

Section 30240

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts that would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

2. Marine-Related Industrial Use

The Port Master Plan contains the following description of marine-related industrial uses:

Activities suitable for the marine related industrial area include, but are not limited to, ...warehouses, silos, fueling facilities; bulk liquid storage tanks and pipelines; shipping offices and custom facilities...

Section 30708(c) gives the highest priority to the use of existing land space within harbors for port purposes, such as navigational facilities, shipping industries, and necessary support and access facilities. Section 30708(d) provides for the accommodation, to the extent possible, of other public trust uses such as recreation and wildlife habitat. Section 30708(e) requires all port-related development to minimize substantial environmental effects. All three of the above policies should be considered along with the underlying objectives of Sections 30705 and 30706 which are to minimize fill of coastal waters to only that necessary for specific port-related uses and to minimize harmful effects to coastal resources. Therefore, adequate existing land area should be reserved for port-related purposes so as to avoid the need for additional fill of coastal waters to accommodate future demand for such facilities.

The Port District has had several studies prepared to address the issues raised by potential conversion of land and water areas designated for marine industrial uses to other uses of less priority under the Coastal Act, not only for the subject site, but also for the Campbell Shipyard and Fifth Avenue Landing leaseholds which are the subject of Port Master Plan Amendment #31. Additionally, the Port has submitted PMPA #30 that would redesignate a recently acquired 22 acre upland area adjacent to the historic mean high tide line and the National City Marine Terminal from "General Industrial" to "Marine

Related Industry” to help offset the proposed loss of marine-related industrial land at the South Bay Boat Yard, Campbell Shipyard and Fifth Avenue Landing sites.

The South Bay Boat Yard: Preliminary Marine Related Land and Water Study, dated 2/14/00, prepared by the Port of San Diego, contains a preliminary analysis of the potential use of the South Bay Boat Yard site for eight uses and makes the following conclusions, along with conclusions from the America’s Cup Harbor Usage Study, dated November 30, 1999, also prepared to address this issue.

1. Boat yard uses – The SBBY history indicates that a boat yard in South Bay is competitively disadvantaged. Not only is the work to capacity of the SBBY the lowest of all boat yards on the bay (70%), but where all boat yards on the San Diego Bay average approximately 611 boats worked on per year, the SBBY maintains only 500 per year. Additionally, the SBBY has the lowest distribution of craft larger than 60 feet in length (13%) resulting from limited equipment capacity.
2. Shipbuilding, repair and maintenance- Existing water depths along the Chula Vista Boat Channel and the SBBY basin extend to -10 to -17 MLLW. Modern commercial ships typically draw in excess of 42 feet of water. Substantial dredging efforts to accommodate shipbuilding, repair or maintenance would be required to take advantage of the current marine related industrial land use designation.
3. Marine terminal – The SBBY, in itself, is insufficient to function as a modern marine terminal. In addition, a regionally significant National Wildlife Refuge encompasses the Chula Vista midbayfront shoreline. Operation of a marine terminal would conflict with preservation of environmentally sensitive habitat within the refuge.
4. Aquaculture – The location of the SBBY does not support the nutrient rich ocean waters required for aquaculture, as the lack of interest by the aquaculture industry over the last 20 years indicates.
5. Commercial and sport fishing – Due to the distance of SBBY from the San Diego Bay entrance and ocean fishing grounds, locating a commercial and sport fishing berthing and processing facilities is economically infeasible.
6. Fishing piers – Existing fisheries and water quality data do not support recreational fishery in the area.
7. Boat launching ramps – A study prepared by the Port District Planning Department in 1994 of parked boat trailers near boat launching ramps in Shelter Island, national City, and Chula Vista indicated that only 5.1% of all boats launched were launched at the Chula Vista location in the South Bay. The majority of trailored boats preferred to launch from other launching ramps located on the Bay.
8. Passenger ferries and water taxis – The potential for redevelopment and intensive urban development in the South Bay may create a demand for water transportation serving Chula Vista, San Diego and Coronado. The proposed redesignation of the SBBY to commercial recreation may be the vehicle to encourage the incorporation of a ferry/water taxi terminal at the SBBY site, thus reducing automobile traffic and congestion.

Based on the prepared studies, the Port District has concluded that due to parcel size, inadequate water depths to accommodate contemporary vessel sizes, the changed boat and ship building and repair market conditions, and the adjacency to the U.S. Fish and Wildlife Sweetwater Marsh National Wildlife Refuge, the SBBY does not constitute a feasible marine-related industrial site. The Commission concurs with these findings; however, due to the fact that the submitted studies also indicate current boat yards are at or near capacity, the Commission believes an alternative replacement boatyard should be identified prior to redevelopment of the subject leasehold. The Port has acknowledged that additional land area may be required for boatyards to serve the recreational boating market in the South Bay and has completed a study to address potential sites for a facility capable of handling recreational boats from approx. fifty feet in length up to mega-yachts as large as 200 feet in length and 1,500 tons in weight. The Ship/Boat Repair Facilities Siting Study dated May 10, 2001 study concludes that there are three sites for a ship/boat repair facility that could be developed at reasonable cost and with minimal impediments to development, and three additional sites with higher cost and greater impediments to development. Two of the three identified sites are located within the South Bay, i.e. the Staite Maritime site adjacent to the existing Knight and Carver boat yard, and the existing marina site at the head of the Sweetwater Channel.

The current lease for the SBBY extends to 2020 and the submitted PMPA acknowledges that the existing boat yard may continue to operate until the site is redeveloped to a conforming commercial recreation use. Additionally, the Port has added language to the PMPA which indicates that prior to redevelopment of the subject site, additional boatyard capacity will be identified. The Port has concluded there are sites available to meet potential future demand in the South Bay; therefore, with the proposed language it is assured an alternative site will be identified to meet the demand at the time the subject site redevelops to a use other than the existing boat yard. Additionally, the redevelopment project for the subject site will require a port master plan amendment and additional environmental review which will assure the demand and supply of the existing boat yard market will be thoroughly assessed at that time. The site is not required to meet any other marine related industrial needs of the Port District and the proposed land and water use redesignations can be found to meet the requirements of Section 30708 of the Coastal Act.

3. Commercial and Public Recreational Use.

The proposed land use change to “Commercial Recreation” would allow such uses as hotels, restaurants, sportfishing, and specialty shopping, etc. Additionally, the PMPA includes a land use change to a strip of land (minimum ten foot wide) surrounding the commercial recreation portion of the site which would be designated “Promenade”. This public promenade would connect with the shoreline access provided within the park adjacent to the south of the site, and extend around the western, northern and eastern boundaries of the site to connect with G Street and Marina Parkway. Thus, continual public access would be provided with redevelopment as opposed to the current

development conditions which preclude public shoreline access. Further, the proposed PMPA has anticipated the need for view corridors through potential commercial recreation development on the subject property to provide for public vistas of the San Diego Bay through four identified locations. These vista areas are identified on the Precise Plan for Planning District 7 in the submitted PMPA.

The proposed commercial recreation use designation is also given priority under Chapter 8 policies and would be compatible with the surrounding industrial business park uses, and other existing and contemplated commercial and public recreational uses along the Chula Vista Bayfront. Therefore, the PMPA assures adequate public visual and coastal access opportunities will be provided through redevelopment of the site, and, as a result of the consideration given toward provision of a habitat conservation buffer between future development and adjacent wetlands addressed in the following finding, the Commission finds the proposed land use change only to be consistent with Section 30708 of the Coastal Act.

4. Environmentally Sensitive Habitat Area.

The subject site is immediately adjacent to the south of environmentally sensitive land and water areas currently designated “Wetlands” and “Estuary” in the Port Master Plan. These wetlands are adjacent to and seaward of the Sweetwater Marsh National Wildlife Refuge. As a condition of the approval of the Negative Declaration for the proposed land and water use redesignations, the Port District has agreed to enter into a cooperative agreement with an appropriate agency or organization which would be designated to protect and/or enhance, where appropriate, the sensitive biological wetland habitat (i.e., mudflats) running north from the SBBY to the Sweetwater River Channel. In addition, as part of the PMPA, the 1.8 acres of water area on the northern boundary of the site between the mudflats and the site would be designated “Wetlands”. Further, the PMPA proposes a “Habitat Replacement” zone to serve as the buffer between future commercial recreational development and the adjacent environmentally sensitive area. Along the northern boundary, the width of the habitat replacement area is a minimum 100 feet in width. However, the eastern portion of the leasehold which is currently undeveloped and contains the channel feeding the adjacent F and G Street Marsh area to the east, is also included within the “Habitat Replacement” designation where the buffer would be much wider.

In response to staff’s concern regarding the determination of future buffer areas which should correspond to the resources present at the time, the Port has modified the submittal. The revised language indicates the “Habitat Replacement” designation would serve as a buffer between future commercial development and adjacent surrounding habitat. However, the text also indicates the extent of buffer coverage will depend upon future resource conditions and will be reevaluated as new development proposals are submitted. Therefore, with these changes, the Commission finds the proposed land and water use redesignations are consistent with Section 30708 and Section 30240 of the

Coastal Act which requires that development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts that would significantly degrade those areas, and shall be compatible with the continuance of the habitat and recreation areas.

F. Consistency with the California Environmental Quality Act (CEQA).

As described above, the proposed amendment does not have the potential to result in resource damage in the form of individual or cumulative impacts to land use or sensitive resources. No significant, unmitigable environmental impacts were identified. The proposed amendment was the subject of a Negative Declaration under CEQA. The Negative Declaration was subject to public review and hearing and was adopted by the Board of Port Commissioners. The proposed amendment will not result in significant adverse impacts to the environment of the coastal zone and there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the amendment may have on the environment. The Commission therefore finds that the amendment is consistent with the California Environmental Quality Act.